

# **State of Alaska FY2008 Governor's Operating Budget**

## **Department of Environmental Conservation Prevention and Emergency Response Component Budget Summary**

## Component: Prevention and Emergency Response

### Contribution to Department's Mission

Protect public safety, public health and the environment by preventing and mitigating the effects of oil and hazardous substance releases and ensuring their cleanup through government planning, preparedness and rapid response.

### Core Services

- Lead the state's response and protect public and environmental resources from the effects of some 2,100 spills of oil and hazardous substances.
- Minimize the damage to public health and the environment by implementing the Incident Command System for large events.
- Oversee cleanup by the responsible party to ensure spills are cleaned up as quickly as possible.
- Intervene when spill response is inadequate.
- Integrate coastal and inland Alaska communities into a statewide response system through local response agreements.
- Provide equipment and training to local personnel and communities participating in the Alaska Spill Response Depot/Corps System.
- Prevent and reduce the occurrence of oil spills and hazardous substance releases from unregulated sources.
- Plan, develop and coordinate the statewide hazardous materials response team to protect public health and the environment from the effects of hazardous substance releases.
- Maintain the Federal/State Unified Plan and the ten Sub-area/Regional Contingency Plans for Alaska.
- Enforce statutes and regulations relating to oil and hazardous substance spill reporting, cleanup and restoration of the environment.

End Results	Strategies to Achieve Results
<b>A: Risk from new spills of oil and hazardous substances by regulated and unregulated entities, is eliminated.</b>  <u>Target #1:</u> No new spills result in long-term remediation. <u>Measure #1:</u> % of spills needing long-term remediation.	<b>A1: Clean up new oil and hazardous substance spills.</b>  <u>Target #1:</u> 98% of new oil and hazardous substance spills are cleaned up or are in monitoring status. <u>Measure #1:</u> % of new oil and hazardous substance spills that are cleaned or are in monitoring status.

Major Activities to Advance Strategies
<ul style="list-style-type: none"> <li>• Ensure emergency response and removal of oil and hazardous substance releases.</li> <li>• Increase funding for full-time agency oil and hazardous substance prevention, response, and oversight of North Slope exploration and production.</li> <li>• Implement a Clean Marina/Fishing Vessel spill prevention pilot project and evaluate the project for statewide application.</li> </ul>

## FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$4,758,700

## Personnel:

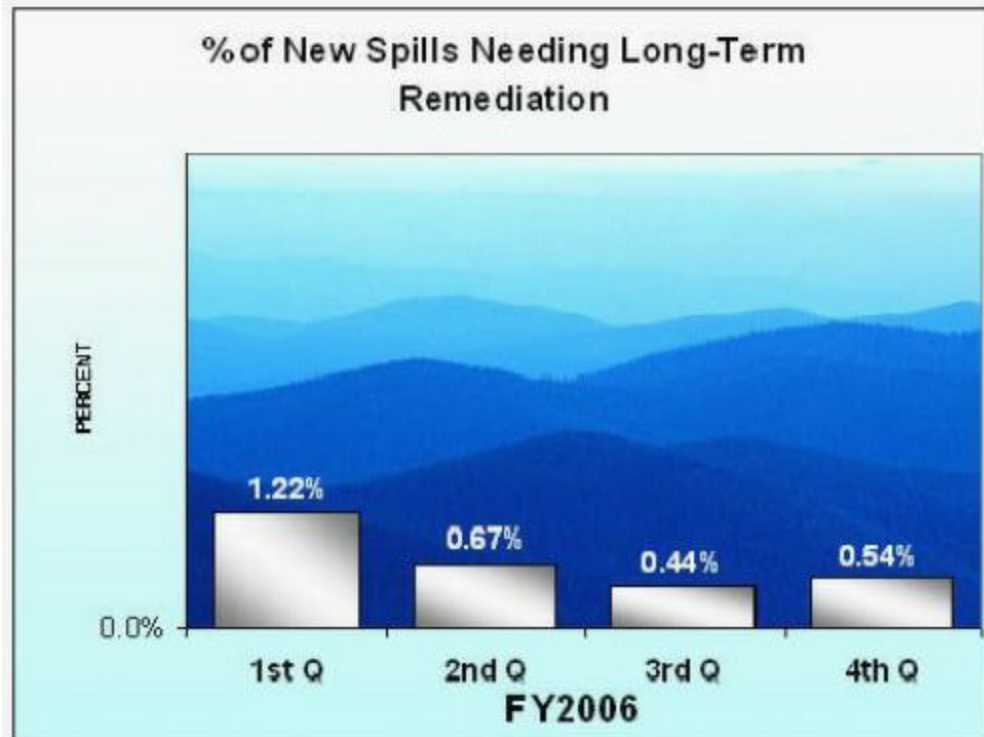
Full time	39
Part time	0
<b>Total</b>	<b>39</b>

## Performance Measure Detail

**A: Result - Risk from new spills of oil and hazardous substances by regulated and unregulated entities, is eliminated.**

**Target #1:** No new spills result in long-term remediation.

**Measure #1:** % of spills needing long-term remediation.



**Analysis of results and challenges:** The sooner a spill of oil or hazardous substances is contained and cleaned, the less impact it will have on the environment, on human health and on the economy. Our goal is to respond to, contain, and clean spills as they occur to prevent them from causing wide-spread damage to water sources, land, wildlife, and adjoining properties.

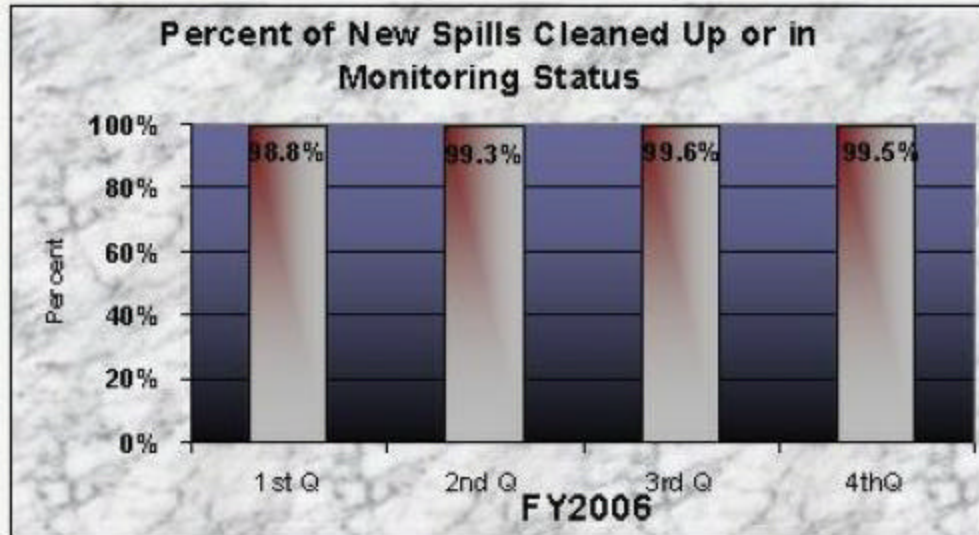
Only the largest and most complex new spills, for example, spills that impact ground water, are turned over to the contaminated sites program for long-term remediation.

Data indicates that less than 1% (0.54%) of the new spills were transferred to the Contaminated Sites Program for long-term remediation in the last quarter of FY2006.

## A1: Strategy - Clean up new oil and hazardous substance spills.

**Target #1:** 98% of new oil and hazardous substance spills are cleaned up or are in monitoring status.

**Measure #1:** % of new oil and hazardous substance spills that are cleaned up or are in monitoring status.



**Analysis of results and challenges:** The sooner a spill of oil or hazardous substances is contained and cleaned, the less impact it will have on the environment, on human health and on the economy. Our goal is to respond to, contain, and clean spills as they occur to prevent them from causing wide-spread damage to water sources, land, wildlife, and adjoining properties.

When sites are in monitoring status, they have been cleaned to a point that allows continued use of the site. Frequently, this will include removing and storing contaminated soils, which are monitored during field visits until the contamination has declined to a level that meets acceptable state standards.

Only the largest and most complex new spills, for example, spills that impact ground water, are turned over to the contaminated sites program for long-term remediation.

Data indicates that over 99% (99.28%-yearly average) of new spills are contained, cleaned up or in monitoring status.

### Key Component Challenges

Initiation of a prevention project for unregulated vessels to decrease the number of oil and hazardous substance spills in marine and freshwater environments. Sixty-nine percent of all spills reported are from unregulated entities and almost fourteen percent of these spills are from unregulated vessels, at marinas or to the marine environment.

Initiation of an oil spill mitigation strategy for maritime transportation in the Bering Sea and the Aleutian Archipelago.

Statistically analyze spill data to identify spill causes and develop prevention strategies to reduce spills.

Enhance integrity management and spill prevention, response and preparedness coverage of the North Slope Oil exploration and production infrastructure. Based on a statewide ten-year average, 17% of the spills reported occur on the North Slope from oil exploration and production activities accounting for 35% of the quantity of oil and hazardous substances spilled.

### Significant Changes in Results to be Delivered in FY2008

#### DEC OIL AND GAS INTEGRITY MANAGEMENT INITIATIVE

Alaska is experiencing a significant increase in issues concerning integrity management of aging oil production and

transportation infrastructure within the state. The number of spills from oil exploration and production facilities is increasing annually. As the average age of Alaska's pipelines and production facilities increases, maintenance issues and oversight of system integrity becomes vitally important to ensure continued safe operation and to reduce the number and severity of oil spills. Aggressive oversight is also important to ensure that revenues from oil production not be reduced or stopped due to inadequate industry maintenance and operational processes.

Along with aging oil transportation infrastructure issues, oil exploration in Alaska is currently on an upswing, necessitating additional resources to accommodate additional facilities and new oilfield operators unfamiliar with state pollution control requirements.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of oil and gas integrity issues or exploration and development activities.

- Oil and gas facilities are not inspected for compliance with state environmental laws as thoroughly or as often as required to provide adequate oversight.
- The aging oil production infrastructure requires additional oversight to maintain compliance with state requirements.
- The cumulative impact of oil and gas waste discharges to the air, from the North Slope industrial operations, have not been monitored or measured to assess the aggregate potential harm to land, water, vegetation, wildlife and humans.
- As new oilfield operators enter the state, significant compliance assistance is needed to make sure that state requirements are met.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.
- Much of the work carried out on the North Slope is made by contractors whose day to day activities are often not monitored or given departmental oversight due to the current lack of a full-time field presence of staff.

The oil and gas integrity management initiative funds new and enhanced services in the Divisions of Water, Air Quality, Spill Prevention and Response, and Environmental Health. Services fall in two areas 1) inspection, monitoring and compliance and 2) environmental planning, design and consultation.

### **Inspection, Monitoring and Compliance**

DEC will:

#### **ENVIRONMENTAL HEALTH**

- Conduct inspections of solid waste units, including temporary storage facilities for drilling wastes and provide compliance assistance to North Slope facilities.
- Increase inspections for temporary storage, reserve pits, and grind-and-inject facilities.

#### **WATER QUALITY**

- Conduct water inspections and provide compliance assistance to North Slope facilities.
- Increase inspection rates for high priority wastewater discharges from 50% to 100%.
- Increase inspections for pad and road construction projects from 0% to 50% (approximately 50 projects).
- Conduct independent verification of effluent quality and verification of facility self-reporting on discharge monitoring reports.
- Evaluate ambient water quality through sampling and analyses.

#### **SPILL PREVENTION AND RESPONSE**

- Provide a continuous field presence to increase general oversight of all oil field operators including the numerous contractors currently employed by the oil companies.
- Increase the number of drills and exercises conducted to test and determine compliance with oil discharge prevention and contingency plans.

- Increase the number of on-site inspections conducted to determine compliance with discharge prevention.
- Increase inspections of regulated oil and gas facilities to ensure compliance with spill prevention requirements.
- Verify equipment and resources are available and ready in accordance with oil spill contingency plans.
- Increase technical oversight of operations and maintenance practices designed to prevent oil spills and unanticipated shutdowns.
- Investigate complaints on lack of proper oil and hazardous substance discharge prevention, preparedness, and cleanup.
- Increase on-site monitoring and oversight of cleanups and field responses to significant spills.
- Utilize third-party inspectors to assess leak detection and corrosion monitoring practices.
- Utilize third-party subject matter experts to assess and aid in correction of aging infrastructure-related problems.
- Conduct engineering review of pipeline corrosion management planning.
- Implement new regulations for oil flow lines.

### **Environmental Planning, Design and Consultation**

DEC will:

- Work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- Review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- Identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- Review and prepare a single coordinated and consolidated response.
- Develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- Increase its participation with stakeholder workgroups to resolve.

### **ENVIRONMENTAL HEALTH**

- Complete review and evaluation of plans for solid waste storage facilities. Plans include engineering plans and specifications, operations plans, and closure plans, including monitoring requirements.

### **WATER QUALITY**

- Evaluate best available technologies to reduce waste quantity and toxicity.

### **SPILL PREVENTION AND RESPONSE**

- Develop standardized technical manuals, scenario guidelines and assumptions.
- Provide technical assistance for contingency plan review.
- Provide full time, on-site technical assistance to industry and consultants.
- Develop educational materials and conduct stakeholder outreach.
- Establish minimum design and construction performance standards for oil spill prevention.
- Review oil and gas leases, plans of operation and EIS reviews to insure adequate measures are in place for spill prevention and response.

The oil and gas integrity management initiative funds new and enhanced services in the **Prevention and Emergency Response** component as follows:

- Day-to-day presence of DEC personnel on the North Slope to ensure operations are conducted in a safe and environmentally sound manner.
- Increase in inspections and monitoring of the aging infrastructure.
- Increase inspections of spill response equipment.
- Increased monitoring of spill responses and cleanups.
- Increased monitoring of industry training and spill drills.
- Provides for immediate technical assistance.

### **Major Component Accomplishments in 2006**

Initiated emergency responses to 32 significant spills statewide and continued to monitor ongoing cleanup and recovery activities.

Managed and completed the State's response to the M/V Selendang Ayu grounding which began on December 7, 2004 and released 333,732 gallons of oil into the marine environment requiring surveys of 469 miles of shoreline and cleanup of 19.9 miles of oiled shorelines. The cleanup and landowner inspections were completed in May and June 2006. On June 23, 2006, the Unified Command determined that shoreline cleanup operations were completed. Wreck removal operations continue to be monitored by the state with anticipated completion in FY2007.

Managed and completed the State's response to the Gathering Center 2 oil transit line spill on the North Slope which began on March 2, 2006 when approximately 201,000 gallons of crude oil were released from a corrosion hole in the 34 inch pipeline impacting nearly two acres of tundra as well as a frozen lake. Subsequent to removing the contamination the spill area was backfilled with topsoil and re-vegetated using living tundra mat.

Initiated major responses requiring significant ramp-up during the year included F/V Yvonne Denise near Ketchikan, DuRette Construction spill on Zarembo Island, T/V Seabulk Pride grounding in Nikiski, Akiachak Power Plant, Kuparuk Drill Site 1-D and Kuparuk 2M spill.

Received a total of 2,112 spill reports (5% increase) and conducted field visits or phone follow-ups for 769 (4% increase) of these spills. Of the total spills reported, 495 after-hour calls (3% increase) requiring action were received from the Alaska State Trooper Dispatch Center.

Managed 2,717 prior and new spill cleanups throughout the state. Removed the risk by cleaning up contaminants at sites and then closing or issuing "no further action" letters for 2,129 spills (10% increase). Transferred 14 cases to the Contaminated Sites Program for long-term cleanup and monitoring and 11 cases to the Department of Law for enforcement action.

Participated in 38 spill drills in FY2006. Major drills included the Trans-Alaska Pipeline Combined Resource Exercise, Valdez Marine Terminal, Southeast Alaska Prevention Response Exercise Program Drill and the Cook Inlet Pipeline Middle River Drill.

Expanded and updated statewide emergency response team training. Additional DEC staff were trained, enrolled and added to the database bringing the total DEC responders to 116. Provided introductory Incident Command System (ICS) to the new recruits and advanced ICS training to existing members.

Accessed and mobilized spill containment and recovery equipment from the state's response depots for 10 spills occurring in fiscal year 2006.

Expanded the State's ability to respond to oil spills by participating in community response training using state equipment from depots located in Seldovia, Petersburg, Tenakee Springs, Sitka, Haines, Skagway and Yakutat. Developed a spill response training module that staff will conduct in communities with current agreements.

Facilitated the activities of the Statewide Hazmat Response Workgroup. The workgroup facilitated joint Hazmat and Hospital Decontamination Seminars/Workshops to discuss field and hospital issues. The Statewide Hazmat Response brochure was also updated and distributed.

Participated in the development of additional Geographic Response Strategies (GRS) for Kodiak Island and completed the GRS's for Prince William Sound.

Finalized the Potential Places of Refuge (PPOR) section for Prince William Sound and incorporated, as part of Change 2 to the Sub-area plan PPOR development is underway for Kodiak.

Completed the Spill Tactics for Alaska Responders Manual. The manual adopts a standard nomenclature and identifies initial spill response tactics for use statewide. The manual can be used by industry when updating their contingency plans.

Completed development of the internet based Oil Spill Permit Tool which contains electronic versions of each of the applicable permit forms and applications used in an oil spill in Alaska.

Formulated strategies for a cooperative Clean Marina/Fishing Vessel Prevention program with the U.S. Coast Guard and local harbor masters.

Continued spill prevention efforts for home heating oil tanks. A new pamphlet on protecting home heating oil tanks in floods and earthquake prone areas was completed and in final review at the end of the fiscal year.

### **Statutory and Regulatory Authority**

AS 46.04, AS 46.08, AS 46.09, 18 AAC 75.

Contact Information
<p><b>Contact:</b> Leslie Pearson, Program Manager <b>Phone:</b> (907) 269-7543 <b>Fax:</b> (907) 269-7648 <b>E-mail:</b> leslie_pearson@dec.state.ak.us</p>

### Prevention and Emergency Response Component Financial Summary

*All dollars shown in thousands*

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	2,723.2	3,011.3	3,708.2
72000 Travel	134.7	131.5	278.9
73000 Services	523.2	623.0	699.6
74000 Commodities	147.7	50.0	52.0
75000 Capital Outlay	14.9	20.0	20.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>3,543.7</b>	<b>3,835.8</b>	<b>4,758.7</b>
<b>Funding Sources:</b>			
1007 Inter-Agency Receipts	5.2	0.0	500.8
1052 Oil/Hazardous Response Fund	3,538.5	3,835.8	4,257.9
<b>Funding Totals</b>	<b>3,543.7</b>	<b>3,835.8</b>	<b>4,758.7</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Manageme nt Plan	FY2008 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Interagency Receipts	51015	5.2	0.0	500.8
<b>Restricted Total</b>		<b>5.2</b>	<b>0.0</b>	<b>500.8</b>
<b>Total Estimated Revenues</b>		<b>5.2</b>	<b>0.0</b>	<b>500.8</b>

**Summary of Component Budget Changes  
From FY2007 Management Plan to FY2008 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2007 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>3,835.8</b>	<b>3,835.8</b>
<b>Proposed budget increases:</b>				
-Oil and Gas Integrity Management	0.0	0.0	500.8	500.8
-FY 08 Retirement Systems Rate Increases	0.0	0.0	422.1	422.1
<b>FY2008 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>4,758.7</b>	<b>4,758.7</b>

**Prevention and Emergency Response  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	36	39	Annual Salaries	2,281,047
Part-time	0	0	Premium Pay	6,772
Nonpermanent	0	0	Annual Benefits	1,636,186
			<i>Less 5.50% Vacancy Factor</i>	(215,805)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>36</b>	<b>39</b>	<b>Total Personal Services</b>	<b>3,708,200</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	0	1	0	0	1
Environ Program Manager I	0	1	1	1	3
Environ Program Manager III	1	0	0	0	1
Environ Program Spec I	0	0	1	0	1
Environ Program Spec II	3	1	0	2	6
Environ Program Spec III	5	6	5	4	20
Environ Program Spec IV	3	1	0	0	4
Environ Program Technician	1	0	1	0	2
Stock & Parts Svcs Journey II	1	0	0	0	1
<b>Totals</b>	<b>14</b>	<b>10</b>	<b>8</b>	<b>7</b>	<b>39</b>